

RECLAMATION

Managing Water in the West

**Reclamation Meeting on
Managing For Excellence
Breakout Session:
Evaluation of Workload in terms of OMB
Circular A-76**

**Sacramento, CA
November 13-14, 2006**



U.S. Department of the Interior
Bureau of Reclamation

Engineering/Technical Services Tasks



**A-76
Tools**

**Historical
Workload**

**Organizational
Scenarios**

**Cost
Analysis**

**Alternative
Funding**

-  - M4E Activity
-  - Other Considerations

Region

Area Office

**Current
Technical
Staff**

*Right Sizing
Effort*

*Future
Organization*

Future what-ifs

**Workflow
Policy**

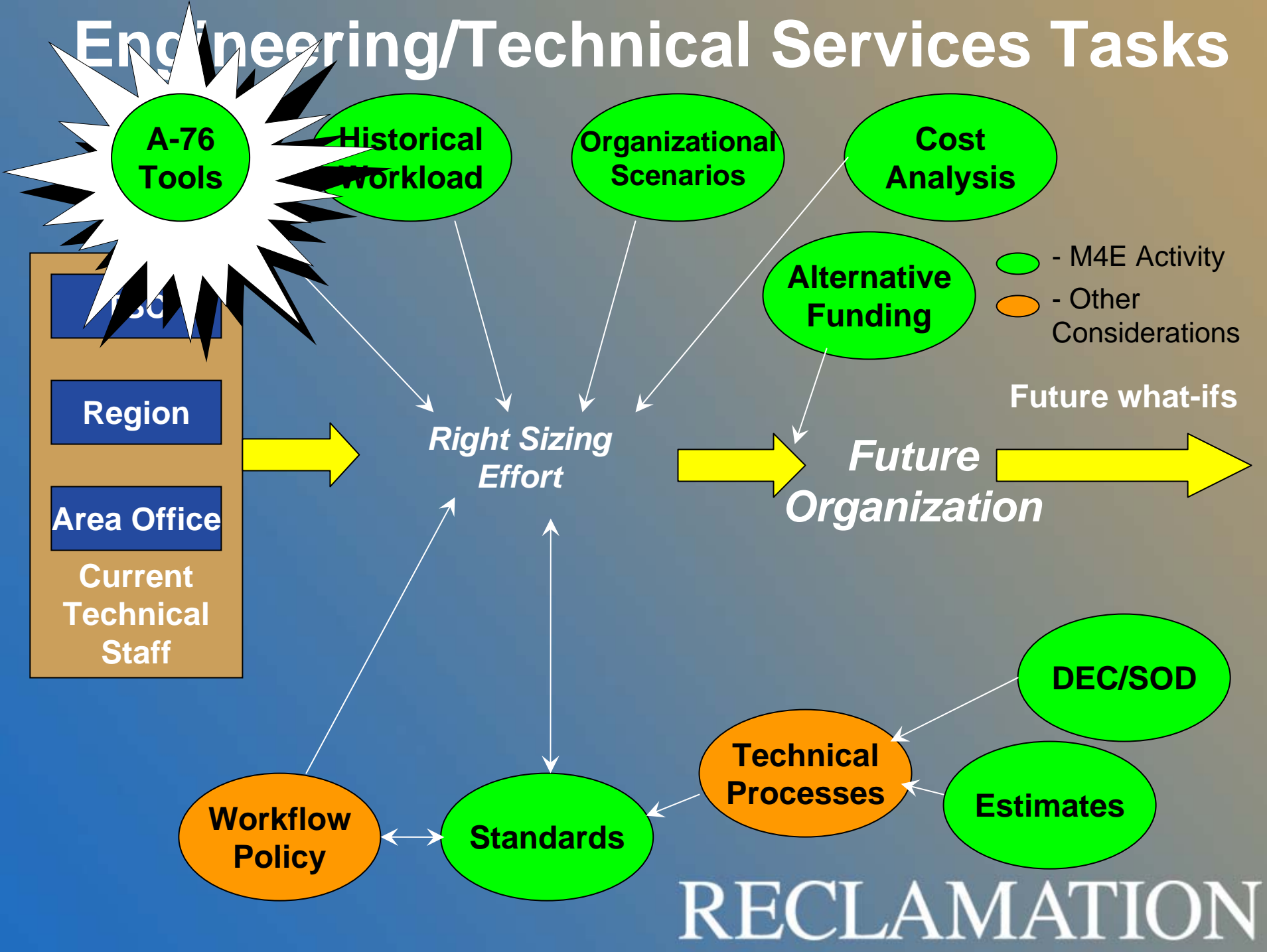
Standards

**Technical
Processes**

Estimates

DEC/SOD

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FAIR ACT Inventory Classification and OMB Circular No. A-76 Guidance

Office of Management and Budget Circular No. A-76 – Performance of Commercial Activities

**The circular establishes Federal policy for the
competition of commercial activities. Two major
components:**

- **Inventory Process**
- **Public-Private Competition**

FAIR ACT Inventory Classification and OMB Circular No. A-76 Guidance

Office of Management and Budget Circular No. A-76 – Performance of Commercial Activities

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components:**

- **Inventory Process** **Action Item 10
focus**
- **Public-Private Competition**

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FAIR ACT Inventory Classification and OMB Circular No. A-76 Guidance

Supports Rightsizing Effort (Action Item 12)

- **Provide data to identify Inherently Governmental**
- **Provide data to define Core Capability**
 - **Commercial Core base**
 - Oversight
 - Risk Management
 - Program/Project Management
 - Specialized/unique functions not readily available
 - Staffing for Succession Planning
- **Ensure Compliance with Circular A-76**

FAIR ACT Inventory Classification and OMB Circular No. A-76 Guidance

Task:

- **Review & evaluate classifications of work in terms of its commercial, commercial core, and/or inherently Governmental nature per Circular No. A-76 & DOI Guidance and review**
- **Scope defined in Team 9 report**
- **Reclamation-wide**
 - **Technical Service Center**
 - **Regions**
 - **Area Offices**

Definition of Terms: Inherently Governmental

“An inherently Governmental activity is an activity that is so intimately related to the public interest as to mandate performance by government personnel. These activities require the exercise of substantial discretion in applying government authority and/or in making decisions for the government. Inherently governmental activities normally fall into two categories: the exercise of sovereign government authority or the establishment of procedures and processes related to the oversight of monetary transactions or entitlements. “

Activity must conform to Circular Inherently Governmental definition – Requires justification

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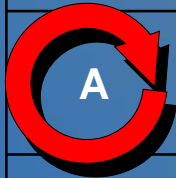
Definition of Terms: Commercial

“A commercial activity is a recurring service that could be performed by the private sector and is resourced, performed, and controlled by the agency through performance by government personnel, a contract, or a fee-for-service agreement. A commercial activity is not so intimately related to the public interest as to mandate performance by government personnel. Commercial activities may be found within, or throughout, organizations that perform inherently governmental activities or classified work.”

Commercial activities are further delineated by reason codes

Definition of Terms: Commercial

Reason Codes and Definitions for Commercial Activities Inventory

Codes	Definitions
 A	The commercial activity is not appropriate for private sector performance pursuant to a written determination by the Competitive Sourcing Office.
B	The commercial activity is suitable for a streamlined or standard competition.
C	The commercial activity is the subject of an in-progress streamlined or standard competition.
D	The commercial activity is performed by government personnel as the result of a standard or streamlined competition (or a cost comparison, streamlined cost comparison, or direct conversion) within the past five years.
E	The commercial activity is pending an agency approved restructuring decision (e.g., closure, realignment).
F	The commercial activity is performed by government personnel due to a statutory prohibition against private sector performance.

Definition of Terms: Commercial Core (Reason Code A)

Exempts commercial activities performed by Government personnel from private sector performance. Examples:

- **Sufficient #'s to ensure continuity of core mission activities**
- **Sufficient #'s to mitigate risk and provide necessary oversight of Reclamation's commercial activities both in-house and contracted.**
- **Maintain expertise - skill sets not readily available in the private sector**
- **Retain Institutional and Historical Knowledge**

Agency Defines – Requires Justification

Foundation for Core Capability Definition

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FAIR ACT Inventory Classification and OMB Circular No. A-76 Guidance

Datasets Considered:

- Historical and Near-term Workload
- Reclamation's FY 2005 FAIR Act Inventory
- Reclamation's FY 2006 FAIR Act Inventory

Reclamation's FY 2006 FAIR Act Inventory

- **Scope from Historical and near-term workload**
- **Inventory closest, existing dataset to activity definitions**
- **Developed at lowest organizational level in past year**
- **Provides mechanism for identifying Inherently Governmental & Commercial Core activities and classification guidance to support organizational review and right-sizing process**
- **Provides comprehensive data to assist with appropriately identifying activities that should be included or excluded from the Engineering and Design Services right-sizing process**

Assumptions/Guidelines:

- **Consider Engineering and Design Services throughout Reclamation**
- **Consider workload in a broad context that includes all technical services**
- **Consider all Function Codes used by these services (Activities are grouped into Function codes which describe the types of activities being performed)**
- **Consider all classification categories – Inherently Governmental, Commercial Core, and Commercial**

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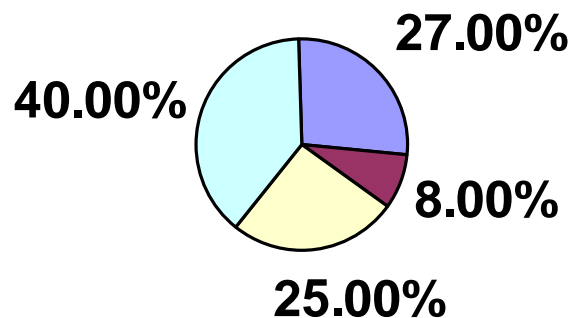
Findings

- Reclamation's Inventory submitted annually thru DOI to OMB. Until OMB releases the inventory, related data cannot be released to the public. Therefore, a separate Report of Findings was produced.
- Summarized data based on the submission to OMB, which is subject to change, used to provide overview of FAIR Act data in report and presentation.

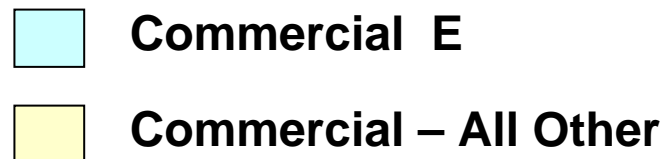
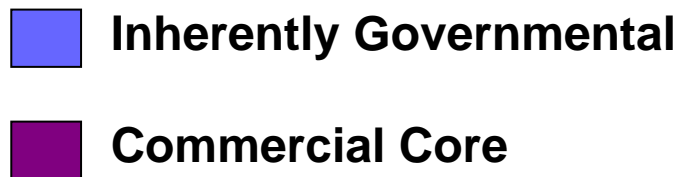
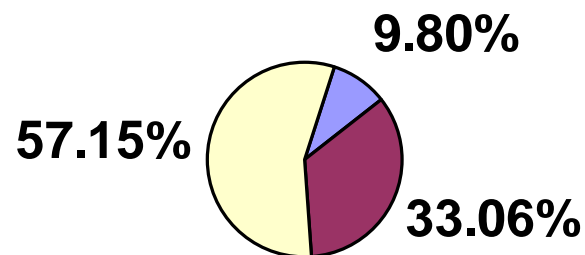
Reclamation Wide

Approximately 6,000 FTEs

FY 2005 FAIR ACT INVENTORY



FY 2006 FAIR ACT INVENTORY

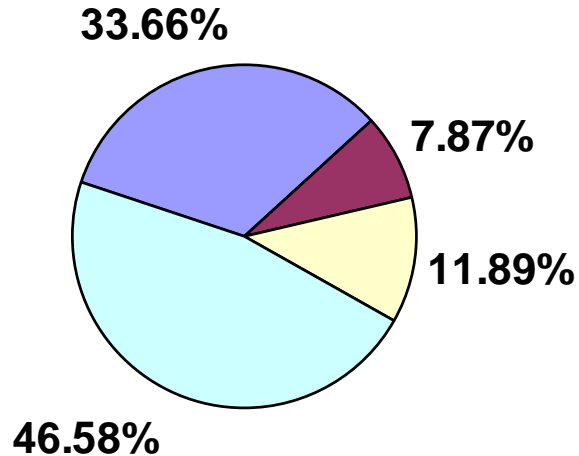


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Subset of All Technical Services Reclamation Wide

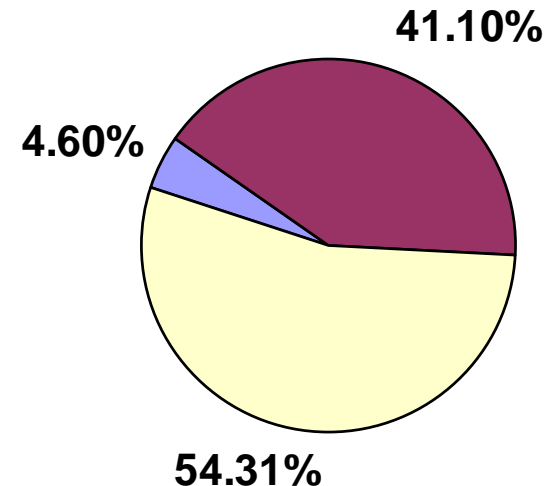
FY2005 FAIR Act Inventory

Approx. 2000 FTEs



FY2006 FAIR Act Inventory

Approx. 1900 FTEs



 **Inherently Governmental**

 **Commercial E**

 **Commercial Core**

 **Commercial – All Other**

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Findings

Inherently Governmental – 4.6%

- May be a bit low. Some misclassifications found – will be corrected in FY 2007 FAIR Act Inventory

Commercial (all other) – 54.31%

- Commercial Code B (53%) are commercial activities suitable for a streamlined or standard competition.
- Could be competed per Circular A-76 process – Public-Private Competition. Open competition—anyone can bid – includes Government bid (Most Efficient Organization.
- When competed, the government has identified a more efficient organization that has led to the government retaining the work in 95% of the competitions.

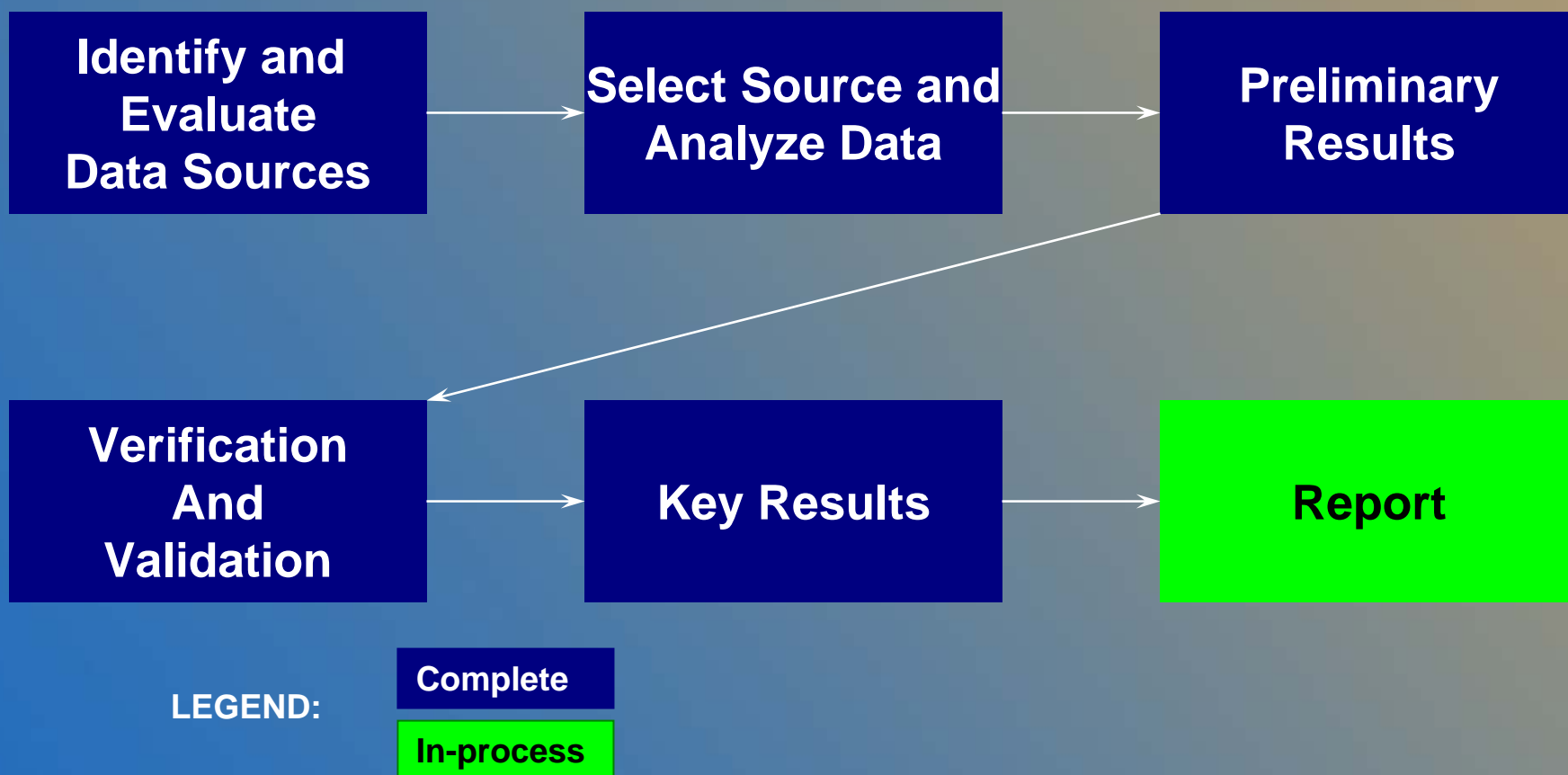
Findings

Commercial Core Classifications – 41.1%

- Number of FTE coded Commercial Core consistent with Reclamation's mission
- Due to vast geographic dispersal & multi-purpose nature of Reclamation projects, higher numbers of Commercial Core FTE, when compared to other bureaus and/or agencies, are likely to occur.
- Complexities & uniqueness of Reclamation's mission & related activities would also lead to a higher number of Commercial Core FTEs. Telling Reclamation's story as a part of the Commercial Core justifications is essential to its proper interpretation and evaluation.

Process

Team – Organizationally and Functionally diverse



Major Points

- Classifying activities in accordance with FAIR Act is an evolving process.
 - Refining and improving guidance and adjusting accordingly continue to get better each cycle.
 - At some point, the FAIR Act Inventory process will become routine.
- FAIR Act Inventory
 - Inventory data are one of many factors used in reviewing organizational alignment
 - FAIR Act classification GUIDANCE should be used to determine classifications for organizational alignment.

Major Points

- **Reclamation-wide services under review**
 - Some activities performed may extend beyond Engineering and Design Services and Technical Services workload and some may be missing.
 - The scope will be refined as a part of the right-sizing process.
- **Determining commercial core classification requires a corporate perspective**
 - These activities must be core to Reclamation's mission.
 - As mission objectives change, so do commercial core requirements. For that reason, reviewing and adjusting organizational alignment is a continuous process.

Major Points

List of Commercial Core positions and related justifications data will be provided to the right-sizing effort -- the “**critical determination of the sustainable core capability needed to achieve Reclamation’s mission-critical work**” will be completed as a part of the right-sizing effort.

What activities should be included in definition of Core Capability?

What activities should be excluded from definition of Core Capability?

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